



PUBLIC WORKS DEPARTMENT

FISCAL YEAR 2017 PARKING AND BUSINESS IMPROVEMENT AREA ANNUAL REPORT

Downtown Parking Committee

April 14, 2016

Recommendation

- That the committee receive and recommend that City Council approve the Fiscal Year 2017 PBIA Draft Annual Report.

Improvement District Law

- California Streets and Highways Code.
- Division 18 – Parking.

Improvement District Sections

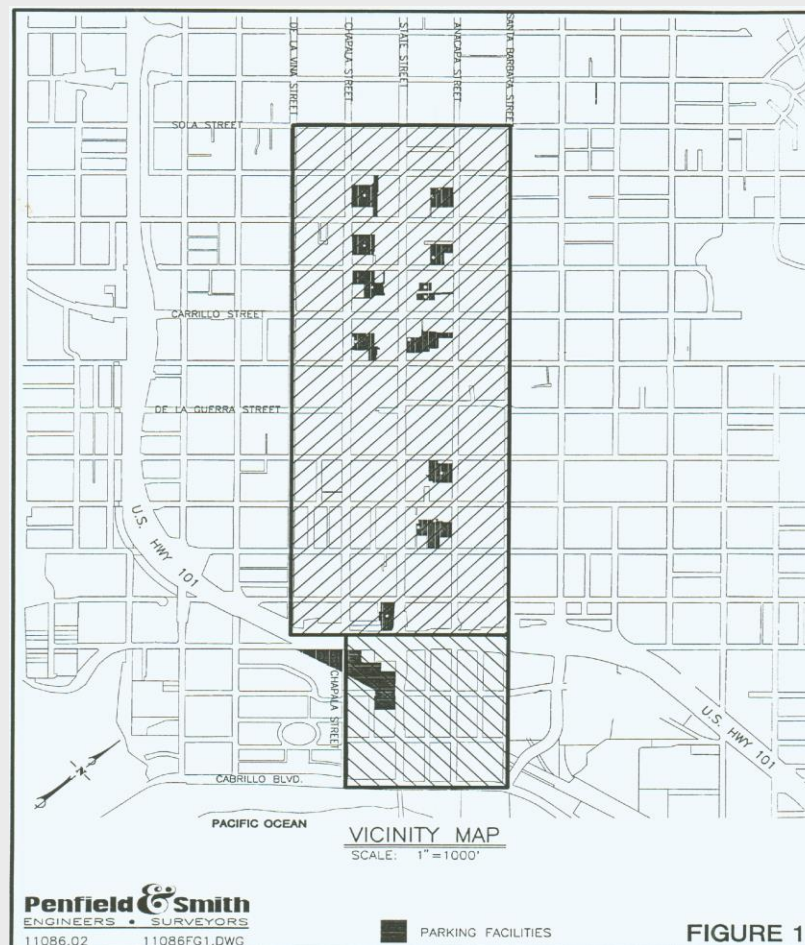
- Parking District Law of 1951.
- Parking and Business Improvement Area Law of 1965.
- Parking and Business Improvement Area Law of 1989.
- Property and Business Improvement District Law of 1994.
- Multifamily Improvement Districts of 2004.

PBLA History

- ◆ Established in November 1970.
- Response to advertised “Free Parking” at La Cumbre Plaza shopping center.
- Downtown Merchants wanted to offer a similar type of program for their customers and improve the perception of the Downtown experience.
- Provides revenue for this program instead of a merchant validation system – convenient short term customer parking.
- Assessment helps defray the costs associated with providing a “Free” period as well as a portion of the maintenance and operation of the lots.

PBLA Overall Map

- Sola Street to Cabrillo Boulevard.
- De la Vina to Santa Barbara Streets.
- 1991 Expansion below De La Guerra to 101 Highway.
- 1999 Expansion below 101 Highway to Cabrillo Boulevard.



Parking Operations

- 45+ Year partnership between the Downtown Business Community and the City.
 - Originally 9 lots.
 - Currently:
 - 5 Structures.
 - 7 surface lots.
 - 3,200 hourly parking spaces.
 - Open 7 days a week – 361 days a year.
 - 4.5 million transactions processed in FY 15.
- PBIA revenue is only used to help pay for a portion of the operation costs of the lots.
 - Hourly employee salaries.
 - Electricity.
 - Approximately \$.24 for each vehicle transaction.

Administration

- Policy Decisions and Annual Report Preparation
 - Public Works Transportation Division.
- Billing, Collections and Delinquency
 - Finance Department Business License Manager.

Calculation of Benefit Assessment

- Business Rate
 - Type of Business: Retail, Financial, Professional, educational, etc.
- Zone of Benefit
 - Proximity of the business to the parking lot(s).
- Patron Parking Credit
 - If on-site customer parking is provided.

Business Categories and Rates

Category	Description	Rate
I A	Retail/Wholesale average sale less than \$20	\$0.56 per \$100 gross sales
I B	Retail/Wholesale average sale between \$20 & \$100	\$.029 per \$100 gross sales
I C	Retail/Wholesale average sale over \$100	\$0.16 per \$100 gross sales
I D	Movie Theaters	\$0.16 per \$100 gross sales
I E	Fitness Facilities/Health Clubs	\$0.29 per \$100 gross sales
II	Financial Institutions	\$0.48 per usable square foot
III	Stock and Bond Brokerage	\$81.30 per broker
IV	Transit Facilities and Bus Depots	\$0.06 per usable square foot
V	Professionals	\$32.50 per professional, \$16.30 per non-professional
VI	Educational Facilities & Miscellaneous	\$0.19 per usable square feet
VII	Hotels and Motels	\$270 per guestroom without assigned parking

* Categories with a yellow background were changed for FY 2011.

* Categories with a blue background were added for FY 2011.

Zone of Benefit Percentages

- All businesses in the same block as an hourly public parking lot are in a 100% ZOB.
- All businesses outside of the blocks that contain public parking lots are considered to be within a 40% zone of benefit or lower.
- Businesses within the boundaries with less than 20% zone of benefit (too far from public lots).

Patron Parking Credit

- Credit for customer parking provided on-site.
- Maximum benefit of 75% allowed.
- Exclusions include alley ways, mechanical rooms, manufacturing and warehousing areas.
- Multi-business shared parking: parking allocation determined by businesses and/or property manager.

Assessment Formula

- Businesses are assessed quarterly.
- Business Rate x ZOB x PPC.
- Business category determines base assessment.
- Zone of Benefit percentage based on proximity to public parking lots.

Non-Assessed Entities

- Businesses within the boundaries with less than 20% zone of benefit (too far from public lots).
- Government Agencies.
- Non-Profits
 - Live Performance Theaters.
 - Public Service/Charitable Organizations (Museums, Faith Based, Community Organizations).
- Specific Organizations/Businesses (Auto Repair, Manufacturing, Private Parking, Residences).

Recent City Council Action

- June 4, 2013
 - Staff asked Council for direction regarding the assessment of nonprofit performing arts theaters, museums, and nonprofit business offices.
 - Council voted to not assess the nonprofit organizations and adopted status quo rates and categories (Murillo moved, White seconded).

PBIA Fiscal Year 2017

- For FY 17, there are no proposed changes to the PBIA benefit zones, the basis for levying the assessments or any changes in the classifications of businesses.
- Projecting \$1,000,000 in assessments for FY 17, making up approximately 12% of revenues and 13% of operating expenses.

Next Steps

- The Annual Report must be brought before Council each year for approval.
- Council approval will fix the rates for Fiscal Year 17.
 - Intention to Levy and Public Hearing dates will be scheduled in late May and early June of 2016.
- Assessment will go in to effect on July 1, 2016.